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"To enrich lives through effective and caring service"

April 23, 2013

To: Supervisor, Mark Ridley-Thomas, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: Tom Tindall *Tom Tindall*
Director

Subject: **ENERGY UPGRADE CALIFORNIA – LOS ANGELES COUNTY
STATUS REPORT (RESPONSE TO ITEM 15, AGENDA OF
MARCH 6, 2012)**

On March 6, 2012, your Board, on motion of Supervisor Yaroslavsky, instructed the Chief Executive Office (CEO) and the Director of the Internal Services Department (ISD) to:

1. Maintain data, which shall be updated as often as feasible but no less than once per month, showing the number of participants within each component subprogram of Energy Upgrade California – Los Angeles County (EUCLA), including data showing the number of participants who have, within each subprogram: (a) applied for participation in each of the respective sub-programs, (b) received approval of their application, (c) begun physical improvements of their home / commercial location (where applicable), (d) completed physical improvements (where applicable), and (e) received rebate checks or otherwise successfully finished their participation in the program;
2. Establish goals for the number of total participants over the life of the program for EUCLA overall and within each subprogram;
3. Establish benchmarks by month for EUCLA overall and within each subprogram by which the progress of the total program and each subprogram shall be measured;

4. Maintain a narrative description, which shall be made available to the Board of Supervisors no less than once per month, of the steps taken to improve performance of EUCLA overall and for any subprogram in any month in which the benchmarks established in #3 are not met for EUCLA overall and for each subprogram, potentially including, as the CEO and Director of ISD deem appropriate, a reallocation of resources from underperforming subprograms to subprograms that are meeting or exceeding benchmarks.

This memorandum provides the ninth status report on the EUCLA program and the first quarterly report for 2013, updated through April 1, 2013. Attachment I provides graphics and narratives illustrating status for the Advanced, Basic, and FlexPath subprograms of EUCLA. These programs were initially launched and supported using various American Recovery and Reinvestment Act (ARRA) grants. These grants are all set to expire in the coming months, necessitating the close-out of grant-funded incentive programs. As all grant-funded programs are currently winding down, summary-level data has been provided to show the overall impact of EUCLA activities to date. In the coming months, staff will fully close out grant-funded incentive programs and will develop final reports summarizing all pertinent data.

EUCLA activities are currently transitioning from the use of American Reinvestment and Recovery Act (ARRA) funds to the use of California Public Utilities Commission (CPUC) funding under the 2013-2014 Statewide Energy Efficiency Program funds. On January 15, 2013, your Board accepted \$44.8 million from the CPUC in 2013-2014 Statewide Energy Efficiency Program funds to continue the administration of successful ARRA and CPUC programs initiated by the County. A portion of these funds, roughly \$21 million, will be dedicated to the continuation of EUCLA activities, including the administration of incentive programs, marketing and public outreach, financing to support home upgrades, and workforce development activities.

There has been a gap in program implementation to allow for coordination with other CPUC program implementers and to ensure that grant funded activities can be adequately measured. Additionally, the CPUC has called for a redesign of the current EUCLA Basic Path. The County has actively worked with the local investor owned utilities to create a new, flexible program offering, very similar to FlexPath that will help drive participation in EUCLA moving forward. In order to reduce potential market confusion, the County has shut down ARRA-funded programs to new applications and is currently preparing for program re-launch by evaluating initial program results and identifying potential program improvements. ISD expects to relaunch these programs utilizing CPUC funds by June 1, 2013.

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ISD will continue to update your Board on program accomplishments on a quarterly basis.

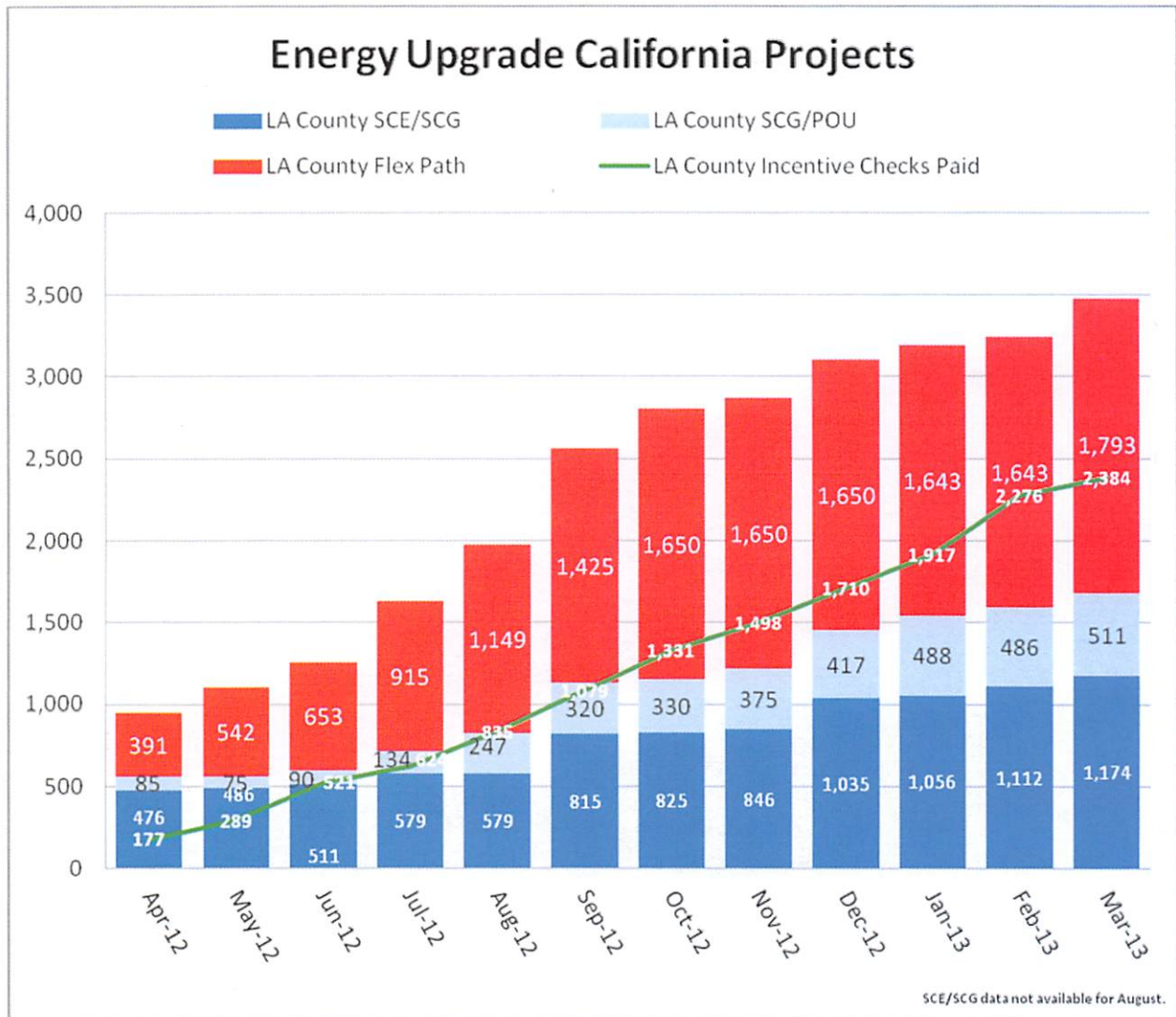
If you have any questions, please contact me at 323-267-2101.

TT:JJ:HC:LR

c: ISD Board deputies
Chief Executive Officer
Chief Executive Office
Executive Officer, Board of Supervisors

Monthly EUCLA Graphics/Narrative – Through April 1, 2013

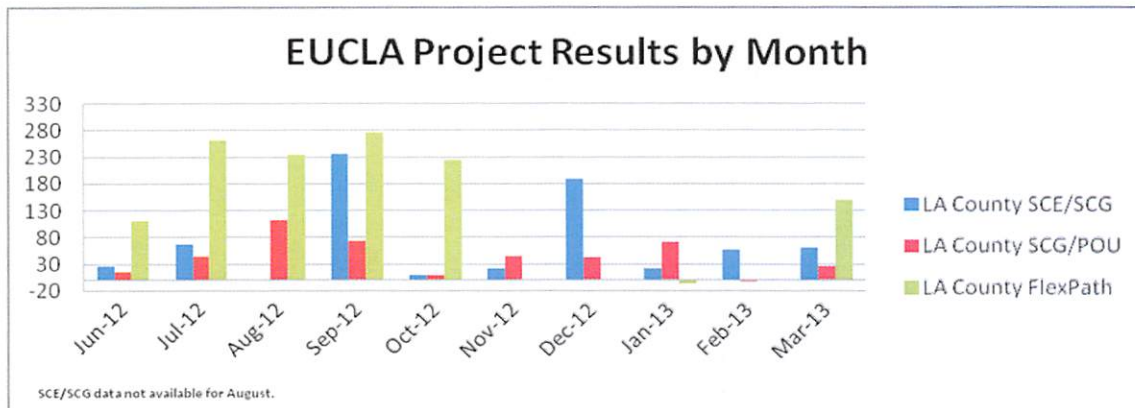
The following are status charts and supporting narrative, summarizing significant program accomplishments through the first quarter of 2013 for the Energy Upgrade California in Los Angeles County (EUCLA) program and its subprograms. Note that there is a current gap in program availability within LA County, but ISD expects all programs described below to relaunch by June 1, 2013.



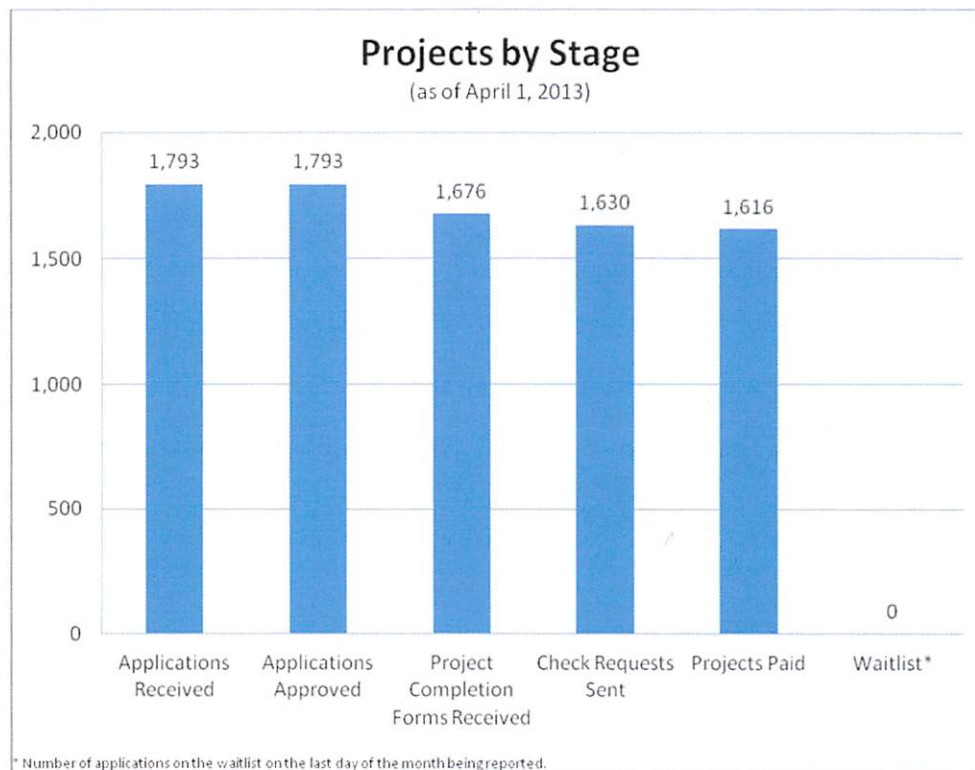
On August 29, 2012 EUCLA announced that the LA County matching incentive for Basic and Advanced path projects would be ending on September 28, 2012. On October 9, 2012 EUCLA announced that the FlexPath program would close to new applications on October 19, 2012. Both announcements were necessitated by the pending exhaustion of grant funds budgeted for these incentives, because of increased participation in both programs, as shown on the chart above. Projects that met these initial deadlines have continued to complete upgrade work and submit necessary documentation to receive incentives. The chart above summarizes the status of all EUCLA projects while the chart below shows the number projects completed each month.

Monthly EUCLA Graphics/Narrative – Through April 1, 2013

There is a notable decrease in project submittals after the program close-out deadlines for both the FlexPath and matching incentive programs. Note that there was a gap in project submittals for FlexPath between November and February because the program was no longer accepting applications. Some FlexPath projects that initially had been waitlisted because the initial 1650 jobs had been submitted were authorized to move forward and are seen below as the FlexPath jobs submitted in March.

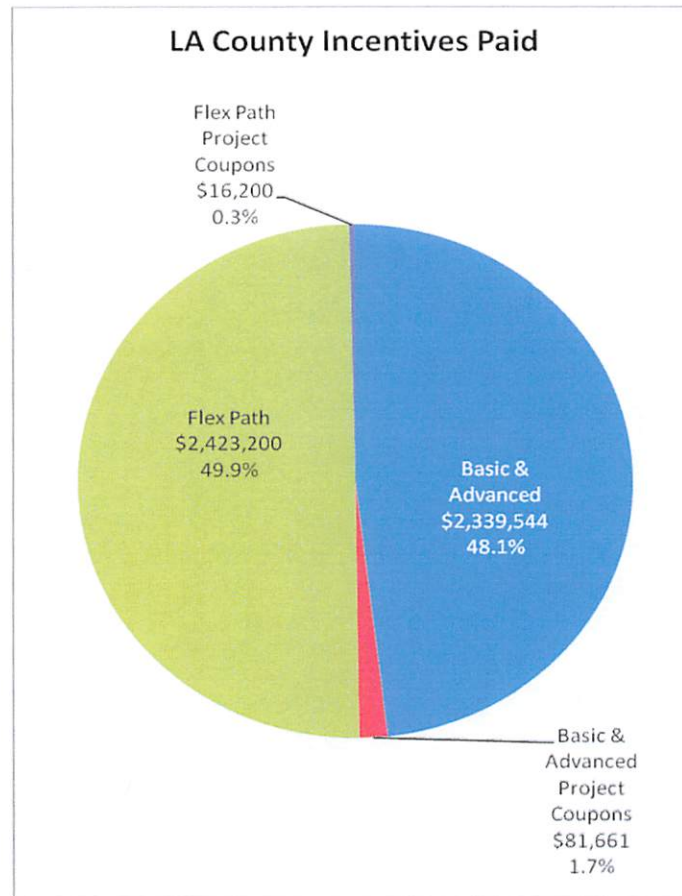


The following chart shows project numbers for specific milestones in the FlexPath project process. Note that most applications have been processed and incentives have been distributed.



Monthly EUCLA Graphics/Narrative – Through April 1, 2013

The chart below summarizes all EUCLA incentives distributed by the County. To date, the County has provided more than \$4.8 million in incentives to homeowners and contractors in Los Angeles County to support energy efficient home upgrades.



The following chart summarizes all EUCLA projects submitted and includes data related to the average project cost and average incentive provided.

Breakdown of Upgrade Projects*					
Retrofit Project Type	Percent of Projects	Number of Projects	Average Savings	Average Cost	Average Rebate (Utility + LA County)
Advanced Path	46.6%	1,621	29.9%	\$13,362	\$5,459
Basic Path	1.8%	64	10.0%	\$4,832	\$2,000
Flex Path**	51.6%	1,793	16.7%**	\$6,231	\$1,500***

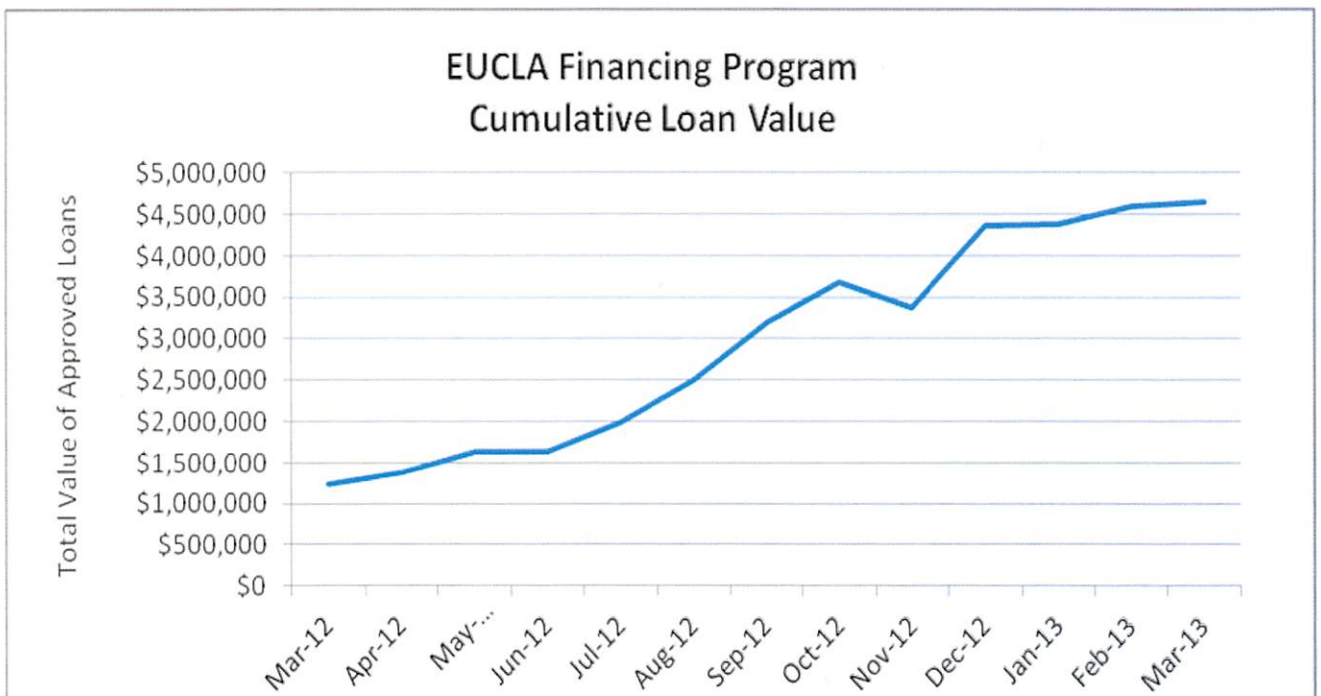
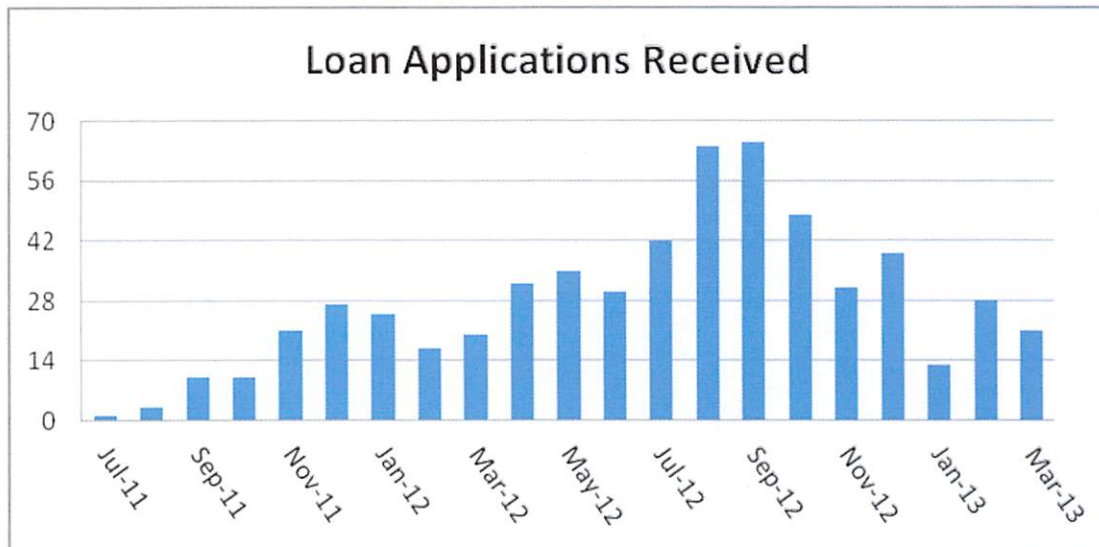
*Original SCE Estimate: 90% Basic/10% Advanced; estimated average savings <15%.

**Based on EnergyPro savings estimates from a sample of 115 retrofit projects.

***This incentive is paid by LA County only. Utility single measure rebates may apply.

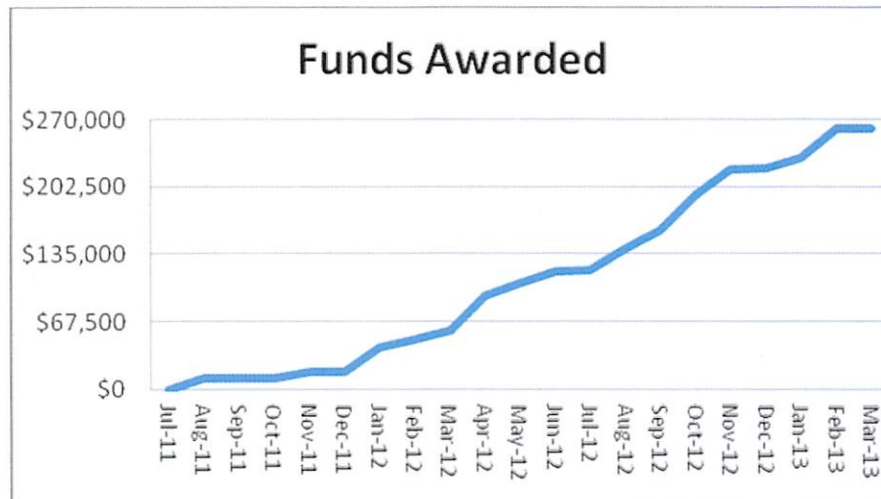
Monthly EUCLA Graphics/Narrative – Through April 1, 2013

As shown in the financing program charts below, applications for financing are still being received at a regular pace. The total program funded loan amount dipped slightly as some loans didn't close within the 90 day approval period, but new submittals have continued to increase the cumulative loan value associated with the LA County Financing Program.



Monthly EUCLA Graphics/Narrative – Through April 1, 2013

Contractors continue to participate in the popular Cooperative Marketing Program that provides matching funds to alleviate the financial burden associated with contractor-sponsored marketing and outreach activities. The following graphic represents the total matching funds awarded to date.



The HVAC pilot program provides training and incentives to encourage existing HVAC contractors to expand their business to include whole-house energy efficiency retrofit work. The HVAC pilot closed to new applications on February 1, 2013 and, as shown below, most projects submitted have been processed and incentives have been distributed.

